

**MINUTES
AUDIT SUBCOMMITTEE
OF THE
LEGISLATIVE MANAGEMENT COMMITTEE**

The Audit Subcommittee of the Legislative Management Committee met in Room 250, State Capitol Building, Salt Lake City, Utah, November 11, 2009 from 9:15 a.m. until 11:30 a.m.

Committee Members Present:	President Michael Waddoups, Co-Chairman
	Speaker David Clark, Co-Chairman
	Representative David Litvack
	Senator Patricia W Jones
Excused	

Legislative Audit Staff:	Rick Coleman, Deputy Auditor General
	Tim Osterstock, Audit Manager
Excused	
	John Schaff, Auditor General
	Darin Underwood, Audit Manager
	Lynda Maynard, Recording Secretary
	Nancy Johnson, Legis Secretary
	Maria Stahla, Audit Supervisor
	Brian Dean, Audit Supervisor
	Wayne Kidd, Audit Supervisor
	James Behunin, Audit Supervisor
	Ian Christensen, Performance Auditor
	Tim Bereece, Sr Performance Auditor
	August Lehman, Sr Performance Auditor
	Leslie Marks, Legis Lead Auditor
	Mandeep Gill, Intern Auditor

Other Interested Parties:	William E Harry, Director, VECC
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Salt Lake County

UCAT

Commissioner of Academic Affairs,
the Commissioner of Higher Ed

Director, CTE, USOE

Dept

OCHE/USHE

UCAT

Operations Mgr., VECC

Director, URS

Executive Director, URS

Counsel, Howard, Phillips & Andersen

Mgmt & Budget, SL County

& Budget, GOPB

Director, DHRM

Director, DHRM

Press

News

Scott Carver, Undersheriff,

Robert V. Newman,
Executive Director, URS

Richard White, President,

Gary Wixom, Asst
Office of

Mary Schumway, State

Mike Veenendaal, Fire
Operations Mgr., VECC

Jeff Monson, VECC
Christy Cushing, UPEA
Greg Stauffer, USHE
Roxann Cheever, SLC Police

Dept
Scott Atkinson, SLC Police

Darren Marshall,

Brian Foisy, VP, Finance,

Gigi Smith, Police

Judy Lund, Retirement

Todd Rupp, Deputy

Dan Andersen, Legal

Lance Brown, Director,

Nicole Sherwood, Planning

Jeff Herring, Executive

Debbie Cragunm Admin

Brock Vergakis, *Associated*

Lisa Riley Roche, *Deseret*

Nate Carlisle, *SL Tribune*

Robert Gehrke, *SL Tribune*
and others as listed

1. Call to Order

Speaker Clark called the meeting to order at 9:15 a.m.

2. Approval of Minutes

Motion: Representative Litvack made a motion that the minutes from August 18, 2009 Audit Subcommittee meeting be approved. The motion passed unanimously.

3a. A Performance Audit of the Cost of Benefits for Reemployed Retirees and Part-Time Employees

(Report #2009-17)

Presented by Maria Stahla, Audit Supervisor

Brian Dean, Audit Supervisor

Discussion following Presentation

Robert Newman, Executive Director, Utah Retirement Systems (URS), addressed the concerns in the audit. He indicated that URS agrees that the recommendations will address the issues raised in the report. Mr. Newman continued by explaining the following:

- There is no question that change in the post retirement employment provisions would result in savings.
- URS supports the recommendation that changing the way the 401(k) contribution is made would help improve their funded status.
- URS believes that enforcing the six month separation, before rehiring a retired employee, would have a positive impact.

Motion: President Waddoups made a motion that the **Performance Audit of the Cost of Benefits for Reemployed Retirees and Part-Time Employees** (Report No. 2009-17) be accepted and referred to the Retirement and Independent Entities Interim Committee, and the Retirement and Independent Entities Joint Appropriations Subcommittee. The motion passed unanimously.

3b. A Performance Audit of the 9-1-1 System in Salt Lake County

(Report #2009-16)

Presented by Wayne Kidd, Audit Supervisor

Discussion following Presentation

William Harry, Executive Director, Salt Lake Valley Emergency Communications Center (VECC), presented the response to the audit report. Mr. Harry said that the audit results will be the basis for further discussions with the committees to determine appropriate solutions for fees and assessment schedules. Mr. Harry continued by telling the Audit Subcommittee that the recommendations concerning funding have been implemented for the current fiscal year and have satisfied most of the requirements.

Scott Carver, Undersheriff, Salt Lake County, addressed the Audit Subcommittee in behalf of Salt Lake County Mayor, Peter Caroon and Salt Lake County Sheriff, Jim Winder, who were unable to attend the meeting. Mr. Carver explained that communication is the number one requirement for the successful resolution of any major disaster and the audit has opened a discussion that allows the 9-1-1 committee and other emergency service groups to discuss and detail what is the appropriate and necessary number of primary PSAP's in the county.

Lance Brown, Budget Director, Salt Lake County, commented that his office also concurs with the audit findings, specifically the recommendation suggesting that the cost of dispatch service be charged out to those receiving the service.

Speaker Clark asked those representing VECC and Salt Lake County if anyone of them would take the initiative to find a more efficient manner to make the system more useful, with the end user in mind, and report back to the legislative committee, detailing the progress.

Mr Harry indicated that he would be willing to handle this project.

Motion: Representative Litvack made a motion that the
Performance Audit of the 9-1-1 System in Salt Lake County (Report No. 2009-16) be accepted and referred to the Public Utilities and Technology Interim Committee and the Law Enforcement & Criminal Justice Interim Committee. The motion passed unanimously.

3c. A Performance Audit of Career and Technical Education Costs

(Report #2009-15)

Presented by James Behunin, Audit Supervisor

Discussion following Presentation

Responses were given by Richard White, President, Utah College of Applied Technology (UCAT), Dave Buhler, Associate Commissioner, Higher Education and Mary Shumway, Director of Career and Technical Education, Utah State Office of Education.

Mr White agrees with the audit finding that it is less expensive to deliver career and technical education through the ACTs than through the credit granting institutions, because faculty in the UCAT institutions are usually paid less, teach more, and overhead costs are generally lower. Also, UCAT feels there has been a very positive partnership between them and public education for many years. Mr. White concluded by telling the Audit Subcommittee that UCAT has already initiated an extensive policy review designed to address issues raised in the audit.

Mr. Buhler, representing Commissioner Sederburg, thanked the auditors for their insight and referred the Audit Subcommittee to the response prepared by Commissioner Sederburg at the back of the audit report.

Ms Shumway responded to questions concerning the Weighted Pupil Unit (WPU). Ms. Shumway said that USOE has had a great partnership/relationship with UCAT. However, there are some issues concerning fees students pay when they go to UCAT that USOE may want to address. The USOE administration and the school board will be working on some analysis with their UCAT partners to make sure they show actual costs.

Speaker Clark asked if the State Board of Education would return to the Audit Subcommittee with some type of statement or recommendation for adjusting school district funding for students who attend the ATC's.

Motion: Representative Litvack made a motion that the **A Performance Audit of Career and Technical Education Costs** (Report No. 2009-15) be accepted and referred to the Education Interim Committee and the Higher Education Joint Appropriations Subcommittee. The motion passed unanimously.

3d. Association Leave in Utah

(Report #ILR2009-B)

Note: This report was not presented; copies were available

4. New Audit Requests

Rick Coleman, Deputy Auditor General, asked committee members to approve the following new requests that have had survey work begun:

- Working 4 Utah Initiative, 4 Day Work Week
- Halfway House Programs
- School District Travel Accountability
- Charter School Oversight

Motion: President Waddoups made a motion that the following New Audit Requests be approved and moved to the Currently Staffed Audits:

Working 4 Utah Initiative, 4 Day Work Week
 Halfway House Programs
 School District Travel Accountability, (allowing the audit staff to use general accounting principles and not limit the scope)
 Charter School Oversight
 The motion passed unanimously.

Rick Coleman, also requested the Audit Subcommittee to approve additional audit work for audit teams that will be freed up from their current completed jobs.

Motion: President Waddoups made a motion that the new request for an audit of **ZAP Taxes** be approved and moved to the Number 2 position under Future Audits in Priority Order.
 The motion passed unanimously.

5. Adjournment

Speaker Clark adjourned the meeting at 11:30 a.m.

**MINUTES
AUDIT SUBCOMMITTEE
OF THE
LEGISLATIVE MANAGEMENT COMMITTEE**

The Audit Subcommittee of the Legislative Management Committee met in Room 130, House Building, State Capitol Complex, Salt Lake City, Ut, February 1, 2010 from 9:00 - 9:10 a.m.

Committee Members Present: Chairman	President Michael Waddoups, Co-Chairman Speaker David Clark, Co- Senator Patricia W Jones Representative David Litvack
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Legislative Audit Staff: Secretary	Rick Coleman, Deputy Auditor General Darin Underwood, Audit Manager Lynda Maynard, Recording
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Other Interested Parties: Auditor, DAS Legis Research & Gen Counsel	Michael Christensen, Director, Legis Research & Gen Counsel Christopher Bruhn, Internal Phalin Flowers, Admin Asst,
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1. Call to Order

President Waddoups called the meeting to order at 9:00 a.m.

2. Current Business

President Waddoups presented the name of John M Schaff for reappointed as Legislative Auditor General to the Audit Subcommittee.

After some discussion, the following motion was made:

Motion:	Speaker Clark made a motion that John M. Schaff be reappointed to the position of Legislative Auditor General for a term of six years and the recommendation be presented to the Senate and House membership for confirmation. The motion passed unanimously.
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3. Adjournment

President Waddoups adjourned the meeting at 9:10 a.m.